



U.S. Small Business
Administration



BID vs. NO-BID / ESTIMATING TEMPLATES



Sponsoring Organization:
U S Small Business Administration (SBA)

PRESENTER:
RUFFIN CONSULTING
Walt Ruffin, CPA, CCP, CDP, MBA

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SYLLABUS

12:00 – 12:05

Intro – Opening Remarks

12:05 – 12:15

Bid vs. No-Bid and the “Contract Procurement Process”

12:15 – 12:25

What is an Estimate?? What is a bid?? What are some Common Bidding Techniques??

12:25 – 12:40

Contract Types

Estimating Templates –Professional Service and Construction Firms

12:40 – 12:50

Questions and Answers



INTRODUCTION

3

Learning Goal – What should trainees expect from participation?

- *An understanding of the nature and purpose bid vs. no-bid decision.*

Learning Objective – What should participants be able to do?

- *How to make bid vs. no bid decision and developing estimating templates for potential bid opportunities.*

BID vs. NO-BID

4

Contractors must make a decision whether or not to **bid** a job.

Bidding a job requires:

- Adequate financial resources to cover project costs
- Capability to perform the work
- Availability of manpower
- Machines
- Materials
- Management

We can only make the assessment by properly estimating the potential opportunity!!!

BID vs. NO-BID

5

Prior to bidding on a project, it is important that a Federal Contractor understands the estimated price range of the potential project. This information is obtained through performing **Market Research**. (**Bid/No Bid Matrix - Exhibit**)

Effective market research can reveal some, or all of the following information:

- Prior Contract Price
- Prior Contract End Date
- Prior Contract Scope of Work
- Incumbent Contractor Information
- Contracting Officer Information

CONTRACT PROCUREMENT PROCESS

6

Acquisition Planning Phase	Solicitation & Contract Formation Phase	Award & Contract Administration Phase
<u>Determination of Need</u> <ul style="list-style-type: none"> Forecasting Requirements Acquisition Planning <u>Initiation of Procurement</u> <ul style="list-style-type: none"> Purchase Request (by Gov. End-User) Funding Market Research (Source Availability, RFI, etc.) <u>Analysis of Requirements</u> <ul style="list-style-type: none"> Specification Statement of Work <u>Sourcing</u> <ul style="list-style-type: none"> Lease vs. Buy Competition Requirements (i.e. Set Asides, Low cost, Best Value) Technical Evaluation factors 	<u>Solicitation</u> <ul style="list-style-type: none"> Contract Types (i.e. IDIQ, FFP, Cost Plus, T&M, LOE) GPE (Govt wide point of entry) Publicizing Proposed Procurement Pre-bid/Pre-proposal Conferences <u>Evaluation</u> <ul style="list-style-type: none"> Sealed Bidding Negotiation <ul style="list-style-type: none"> Technical Evaluation Cost and Pricing data Cost Analysis Fact Finding Negotiations <u>Award</u> <ul style="list-style-type: none"> Debriefing Protests 	<u>Contract Start-Up</u> <ul style="list-style-type: none"> Contract Administration Planning (Finalization of Team Org., WBS, Schedules, etc.) Consent to Subcontracts <u>Quality Assurance</u> <ul style="list-style-type: none"> Process Monitoring Property Administration Product Inspection and Acceptance <u>Payments and Accounting</u> <ul style="list-style-type: none"> Limitation of Costs Unallowable costs Invoices Progress Payments Acctg/ Estimating Systems <u>Close-Out</u> <ul style="list-style-type: none"> Disposition/ Gov. Equip

WHAT IS AN ESTIMATE?

7

- An *Estimate* is a calculation of the cost of work to be completed, based on probabilities.
- Calculations are made basically on *measurement* and *pricing*. Measurements are determined with some degree of approximation. Construction mathematics is essential to calculate estimation, mostly arithmetic and geometry. Sometimes it is necessary to use trigonometry and algebra.



WHAT IS A BID???

8



A bid is a quote submitted by contractors which contains a proposed price on a project or part of a project.

COMMONLY USED TERMS IN ESTIMATING AND BIDDING

9

- Direct Cost
- Directly Associated
- Other Direct Cost (ODC)
- Indirect Cost:
 - Fringe Benefit Expense
 - Overhead expense
 - General & Administrative Expense (G&A)
 - Fee/Profit
- Burden Cost
- Loaded/Billable Rate

CONTRACT TYPES AND ESTIMATING TEMPLATES

10

➤ A few of the various Contract Types are noted below:

- Firm Fixed Price (FFP)
- Fixed Price with Economic – Price Adjustment (FP/EPA)
- Time and Material (T&M)
- Cost Reimbursement Type Contracts

➤ Estimating Templates:

- *Professional Service Firm (Exhibit)*
- *Construction Firm (Exhibit)*

Questions?

A black marker is shown drawing a curved line under the word 'Questions?' on a piece of lined paper. The marker is positioned at the bottom right of the frame, with its tip pointing towards the end of the underlined word. The word 'Questions?' is written in a large, cursive, black font. The paper has horizontal lines. The entire image is framed by a thin orange border.

CONTACT INFORMATION

Eric Ruffin, President/CEO

eruffin@ruffinpc.com

Walt Ruffin, Business Developer/DCAA Consultant

wruffin@ruffinpc.com

Ruffin Consulting, PC

110 Glancy St, Suite 107

Goodlettsville, TN 37072

615-528-1110 or 847-235-9488

www.ruffinpc.com